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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 31, 2015

CERTIFIED RETURN RECEIPT  
7013 3020 0002 3659 5859

Joseph Scott Rees  
Round Valley Rock, Inc.  
2235 East Rees Lane  
Morgan, Utah 84050

Subject: Evaluation of Reclamation Surety, Round Valley Rock, Inc., Round Valley Rock Mine, M/029/0004, Morgan County, Utah

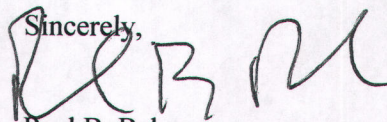
Dear Mr. Rees:

The last reclamation cost estimate for the Round Valley Rock mine was completed in 2010 and escalated to 2015, with a bond renewal date of June 3, 2015, so the reclamation surety amount is now overdue for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

To properly calculate the reclamation cost estimate, the Notice of Intention to Commence Large Mining Operations (LMO) needs to be up to date to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO using form MR-REV (LMO).

In addition the Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation cost using standard unit costs. These are available on the Division's web site at [http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding\\_worksheets.html](http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html). Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the LMO updates and reclamation cost estimate as an amendment to the LMO by October 30, 2015.**

Please contact Leslie Heppler at 801-538-5257 for the LMO update, Wayne Western at 801-538-5263 for the cost estimate update, or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number M/029/0004.

Sincerely,  
  
Paul B. Baker  
Mining Program Manager

PBB: mbt: pb  
cc: Morgan County ([grant@morgan\\_county.net](mailto:grant@morgan_county.net))  
p:\groups\minerals\wp\m029-morgan\m0290004-roundvalley\final\bond-escal-08272015.doc

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